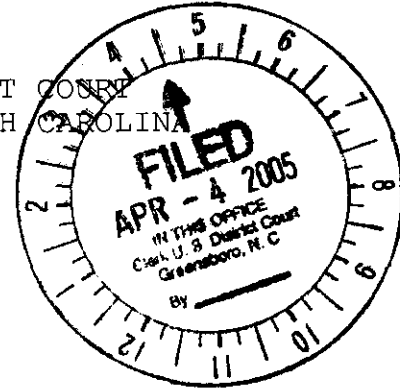


IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA



WILLIAM DOUGLAS WRIGHT and  
JUDY WOODALL,

Plaintiffs,

V.

1:04CV00832

KRISPY KREME DOUGHNUTS, INC.,  
SCOTT A. LIVENGOD, ERSKINE,  
BOWLES, MARY DAVIS HOLT,  
WILLIAM T. LYNCH, JR., JOHN N.  
McALEER, JAMES H. MORGAN,  
DR. SU HUA NEWTON, ROBERT L.  
STRICKLAND, TOGO D. WEST, JR.,  
STEVEN D. SMITH, JOHN W. TATE,  
RANDY S. CASSTEVENS, R. FRANK  
MURPHY, JOSEPH A. McALEER, JR.,  
JOHN A. McALEER, JR., JOHN  
McALEER ORRELL, NORTH TEXAS  
DOUGHNUTS, L.P., GREATER DFW  
DOUGHNUTS, INC., GREATER DFW  
DOUGHNUTS, L.L.P., ARLINGTON  
DOUGHNUT COMPANY, L.L.C.,  
GRAPEVINE DOUGHNUT COMPANY,  
L.L.C., FRISCO DOUGHNUT COMPANY,  
L.L.C., EULESS DOUGHNUT COMPANY,  
L.L.C., OLD TOWNE DOUGHNUT  
COMPANY, L.L.P., HULEN ST.  
DOUGHNUT COMPANY, L.L.P.,  
DOUGH-RE-MI COMPANY, LTD.,

Defendants.

O R D E R

Pending before this court are several motions to stay this action: (1) Motion by Nominal Defendant Krispy Kreme Doughnuts, Inc. to Stay Proceedings Pursuant to North Carolina General Statutes § 55-7-43 [22], filed by Krispy Kreme Doughnuts, Inc.

("Krispy Kreme"), acting through a Special Committee of independent directors charged with investigating and determining whether it is in the best interests of Krispy Kreme to pursue this litigation; (2) Motion to Stay Proceedings Pursuant to North Carolina Business Corporation Act § 55-7-43 [26] filed by Scott Livengood, Erskine Bowles, Mary Davis Holt, William T. Lynch, Jr., John N. McAleer, James H. Morgan, Dr. Su Hua Newton, Robert L. Strickland, Togo D. West, Jr., John W. Tate, Randy S. Casstevens, and R. Frank Murphy (the "Director Defendants"); and (3) Motion to Stay Proceedings Pursuant to N.C. Gen. Stat. § 55-7-43 [29] filed by Steven D. Smith, Joseph A. McAleer, Jr., John McAleer Orrell, Greater DFW Doughnuts, Inc., Greater DFW Doughnuts, L.L.P., Arlington Doughnut Company, L.L.C., Grapevine Doughnut Company, L.L.C., Frisco Doughnut Company, L.L.C., Euless Doughnut Company, L.L.C., Old Towne Doughnut Company, L.L.P., Hulen St. Doughnut Company, L.L.P. (the "Franchise Defendants").

This court finds that because the findings of the Special Committee will play an important role in the outcome of the action, a stay is warranted. The court also notes, however, that a substantial amount of time has passed between Plaintiffs' demand on Krispy Kreme's Board of Directors, the appointment of a Special Committee, and current events. Thus, only a limited stay of 60 days is appropriate. In the event that substantial progress is being made toward completion of the Special


Committee's report, Defendants may request a hearing to show why some additional time will be necessary. Therefore,

IT IS ORDERED that Motion by Nominal Defendant Krispy Kreme Doughnuts, Inc. to Stay Proceedings Pursuant to North Carolina General Statutes § 55-7-43 [22] is GRANTED. The proceedings are stayed for sixty (60) days.

IT IS FURTHER ORDERED that Motion to Stay Proceedings Pursuant to North Carolina Business Corporation Act § 55-7-43 [26] is GRANTED. The proceedings are stayed for sixty (60) days.

IT IS FURTHER ORDERED that Motion to Stay Proceedings Pursuant to N.C. Gen. Stat. § 55-7-43 [29] is GRANTED. The proceedings are stayed for sixty (60) days.

This the 4<sup>th</sup> day of April 2005.

  
United States District Judge